



# Defense Health Agency

## ADMINISTRATIVE INSTRUCTION

NUMBER 7040.01  
September 7, 2021

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DAD-FO

SUBJECT: Defense Health Program Internal Use Software

References: See Enclosure 1.

1. PURPOSE. This Defense Health Agency-Administrative Instruction (DHA-AI), based on the authority of References (a) and (b), and in accordance with the guidance of References (c) through (q), establishes the DHA procedures for managing the Military Health System's Internal Use Software (IUS). This DHA-AI will provide policies and procedures throughout the DHA to establish and maintain financial accountability and effective internal controls for accurate financial reporting.

2. APPLICABILITY. This DHA-AI applies to DHA and DHA components (activities under the authority, direction, and control of DHA).

3. POLICY IMPLEMENTATION. Pursuant to References (d) through (q), it is DHA policy that all applicable divisions, components, and personnel will:

a. Adhere to federal and DoD guidelines for IUS management and accountability, in accordance with this publication.

b. Develop and maintain property management and physical inventory processes to ensure the effective and efficient use of resources and in compliance with regulations and policies in order to mitigate the risk of material misstatement in the financial statement.

c. Comply with DoD and federal financial guidance to support DoD's financial statements.

d. Reconcile all IUS data for all assets DHA owns, operates, or maintains.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosure 3.

6. PROPONENT AND WAIVERS. The proponent of this publication is the Deputy Assistant Director, Financial Operations. When Activities are unable to comply with this publication the activity may request a waiver that must include a justification, to include an analysis of the risk associated with not granting the waiver. The activity director or senior leader will submit the waiver request through their supervisory chain to the Deputy Assistant Director, Financial Operations to determine if the waiver may be granted by the Director, DHA or their designee.

7. RELEASABILITY. **Cleared for public release**. This DHA-AI is available on the Internet from the Health.mil site at: <https://health.mil/Reference-Center/Policies> and is also available to authorized users from the DHA SharePoint site at: <https://info.health.mil/cos/admin/pubs/SitePages/Home.aspx.AI>

8. EFFECTIVE DATE. This DHA-AI:

a. Is effective upon signature.

b. Will expire 10 years from the date of signature if it has not been reissued or cancelled before this date.

9. FORMS

a. DD Form 1348-1A, Issue Release/Receipt Documentation is available at: <https://www.esd.whs.mil/Directives/forms/>.

b. The following DHA forms are available at: [https://info.health.mil/cos/admin/DHA\\_Forms\\_Management/Lists/DHA%20Forms%20Management/AllItems.aspx](https://info.health.mil/cos/admin/DHA_Forms_Management/Lists/DHA%20Forms%20Management/AllItems.aspx).

- (1) DHA Form 216, Independent Government Cost Estimate (IGCE)
- (2) DHA Form 217, Resource Validation Document Checklist (RVDC)

/S/  
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Enclosures:

1. References
2. Responsibilities
3. Procedures

Appendices

Glossary

TABLE OF CONTENTS

ENCLOSURE 1: REFERENCES.....5

ENCLOSURE 2: RESPONSIBILITIES.....6

    DIRECTOR, DEFENSE HEALTH AGENCY.....6

    ASSISTANT DIRECTORS AND DEPUTY ASSISTANT DIRECTORS.....6

    MARKET, SMALL MARKET AND STAND-ALONE MEDICAL TREATMENT  
    FACILITY ORGANIZATION, AND DEFENSE HEALTH AGENCY REGION  
    DIRECTORS.....6

    MILITARY MEDICAL TREATMENT FACILITY DIRECTORS.....6

    ACCOUNTABLE PROPERTY OFFICER.....6

    ENTERPRISE RESOURCES MANAGEMENT SERVICES OFFICE.....6

    INFRASTRUCTURE AND SERVICES RESOURCE MANAGEMENT BRANCH  
    PERSONNEL.....6

    CHIEF INFORMATION OFFICER.....6

    ENTERPRISE MEDICAL SUPPORT - CONTRACTING DIVISION.....7

    COMPONENT PROPERTY LEAD, DEFENSE HEALTH AGENCY.....7

    DESKTOP MANAGEMENT PERSONNEL.....7

    GLOBAL SERVICE CENTER.....7

    INVENTORY TEAM.....7

    LIFECYCLE MANAGEMENT BRANCH.....7

    PROPERTY ACCOUNTING TEAM.....7

    SOFTWARE CUSTODIAN.....8

    SOLUTION DELIVERY DIVISION PERSONNEL.....8

ENCLOSURE 3: PROCEDURES.....9

    INTRODUCTION TO INTERNAL USE SOFTWARE.....9

    PHASES OF INTERNAL USE SOFTWARE.....9

APPENDICES

    1. Process Maps.....20

    2. Risk and Control Matrix.....21

GLOSSARY.....22

    PART I: ABBREVIATIONS AND ACRONYMS.....22

    PART II: DEFINITIONS.....23

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5136.01, “Assistant Secretary of Defense for Health Affairs (ASD(HA)),” September 30, 2013, as amended
- (b) DoD Directive 5136.13, “Defense Health Agency (DHA),” September 30, 2013
- (c) DHA Procedural Instruction 5025.01, “Publication System,” August 24, 2018
- (d) Federal Accounting Standards Advisory Boards, “Accounting for Property, Plant, and Equipment Federal Financial Accounting Standards No. 6,” June 1996
- (e) Federal Accounting Standards Advisory Boards, “Statement of Federal Financial Accounting Standards (SFFAS) Number 10, Accounting for Internal Use Software,” June 1998
- (f) Federal Acquisition Regulation, Part I, “Federal Acquisitions Regulations System,” as amended<sup>1</sup>
- (g) Defense Federal Acquisition Regulation Supplement, Subpart 227.72, “Rights in Computer Software and Computer Software Documentation,” September 23, 2016
- (h) Code of Federal Regulations, Title 36, Chapter XII, Subchapter B
- (i) DoD 7000.14-R, DoD Financial Management (FMR), Volume 4, Chapter 27, “Internal Use Software,” August 31, 2018
- (j) Office of the Under Secretary of Defense (Comptroller) Memorandum, “Strategy for Internal Use Software Audit Readiness,” September 30, 2015
- (k) DoD Instruction 5000.64 “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” April 27, 2017
- (l) DoD Instruction 5000.76, “Accountability and Management of Internal Use Software (IUS),” March 2, 2017
- (m) DoD Instruction 5000.75 “Business Systems Requirements and Acquisition,” February 2, 2017, as amended
- (n) DoD Instruction 5000.02 “Operation of the Defense Acquisition System,” August 31, 2018
- (o) Office of the Under Secretary of Defense (Comptroller), “Financial Improvement and Audit Readiness (FIAR) Guidance,” April 2017
- (p) “U.S. Office of Personnel Management: Handbook of Occupational Groups and Families, Part 1, “ 0500-Accounting and Budget Groups,” December 2018
- (q) DHA Procedural Instruction 5000.01 “Implementation of the Military Health System (MHS) Request Submissions Portal and Process,” February 19, 2020

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<sup>1</sup> This reference can be found at: <https://www.acquisition.gov/browse/index/far>

ENCLOSURE 2  
RESPONSIBILITIES

1. DIRECTOR, DHA. The Director, DHA will establish property management policies and procedures in accordance with DoDI 5000.64 and DoDI 5000.76.
  
2. ASSISTANT DIRECTORS AND DEPUTY ASSISTANT DIRECTORS, DHA. The Assistant Directors and Deputy Assistant Directors, DHA must ensure compliance with this publication.
  
3. MARKET, SMALL MARKET AND STAND-ALONE MILITARY MEDICAL TREATMENT FACILITY (MTF) ORGANIZATION, AND DEFENSE HEALTH AGENCY REGION DIRECTORS. Market, Small Market and Stand-Alone MTF Organization, and Defense Health Agency Region Directors must ensure compliance with this publication.
  
4. MTF DIRECTORS. MTF Directors must ensure compliance with this publication.
  
5. ACCOUNTABLE PROPERTY OFFICER (APO). The APO must perform duties in accordance with Reference (h) and (I).
  
6. ENTERPRISE SOFTWARE MANAGEMENT SERVICES (ESMS) OFFICE. The ESMS team members must:
  - a. Create Market Research Packages that must include DHA Form 217 (RVDC) and DHA Form 216 (IGCE).
  
  - b. Submit Market Research Packages to Portfolio and Resource Management Division (PRMD), Infrastructure and Services Resource Management Branch (ISRMB) for further processing.
  
7. ISRMB. ISRMB personnel must review DHA Forms 216 and 217 in order to verify they are complete and accurate prior to finalization of funds consolidation and final submission to Enterprise Medical Support - Contracting Division (EMS-CD).
  
8. CHIEF INFORMATION OFFICER (CIO), DHA. The CIO must perform duties in accordance with Reference (I).

9. EMS-CD CONTRACTING OFFICER (KO). The EMS-CD KO must perform duties in accordance with Reference (f).
  
10. CPL, DHA. The CPL, DHA, must perform duties in accordance with Reference (k).
  
11. DESKTOP MANAGEMENT (DM) PERSONNEL. The DM personnel will perform disposition services on software.
  
12. GLOBAL SERVICE CENTER (GSC). The GSC personnel must:
  - a. Receive software requests via ServiceNow.
  - b. Route ServiceNow tickets to correct installation group.
  - c. Close out ServiceNow tickets upon completion of software install.
  
13. INVENTORY TEAM. The Inventory Team must:
  - a. Account for all inventory from count sheets.
  - b. Reconcile software data elements to actual software licenses.
  - c. Sign inventory count sheets and notify APO of any discrepancies.
  
14. LIFECYCLE MANAGEMENT (LCM) BRANCH. The LCM Branch personnel must:
  - a. Review new IUS request and populate DHA Form 217.
  - b. Approve IUS request if DHA Form 217 is satisfied and compliant with management criteria.
  - c. Remove licenses from managerial system.
  - d. Determine whether to capitalize new acquisition.
  
15. PROPERTY ACCOUNTING TEAM (PAT). The PAT must:
  - a. Initiate and retain completed reconciliation reports for government property.

b. Perform reconciliation of Accountable Property System of Record (APSR) reports and General Ledger (GL) account balances.

c. Create fully supported Journal Vouchers (JV) and submit for review and approval.

d. Coordinate with stakeholders to reconcile discrepancies.

e. Sign the completed reconciliation report evidencing review and certification.

16. SOFTWARE CUSTODIAN (SC). The SC must:

a. Perform responsibilities in accordance with Reference (k).

b. Manage software on behalf of the Program Officer.

c. Provide funding documentation for Site License Allocation and new software requests as required.

d. Create new software purchase request through LCM.

e. Identify unrecorded software instances so it can be reconciled to the Asset Management Data Base and financial system.

17. SOLUTION DELIVERY DIVISION (SDD) PERSONNEL. The SDD personnel must:

a. Gather the necessary requirements, developed in accordance with Reference (q), for requested software.

b. Retain contract and supporting documentation.

c. Retain invoices from developer and accumulate the costs in APSR.

d. Transfer IUS in development to IUS upon developer project completion.



ENCLOSURE 3

PROCEDURES

1. INTRODUCTION TO IUS. IUS, as defined in Reference (1), is personal property that is acquired or developed to meet the entity's internal or operational needs to functionally complete for its intended purpose. It is durable and nonexpendable. IUS generally has an expected service life of two years or more, is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

2. PHASES OF IUS. DHA must establish LCM over all IUS assets provided to or acquired by the components. Such management confirms proper and authorized use, as well as adequate care and preservation since no asset can be acquired, placed in service, transferred, placed on the DoD property book, or disposed without the proper authorization necessary to document and record the transaction.

a. Requisition

(1) ESMS personnel receive and review DHA Form 217 to verify it is in accordance with management requirements. Control IUS.C.01: Appendix 2

(2) ESMS personnel determine if DHA Form 217 for the software is approved:

(a) If the software is approved, continue to step 3.

(b) If the software is not approved, process ends.

(3) ESMS personnel determine if the software is Commercial off-the-shelf (COTS) IUS.

(a) If software is COTS IUS, continue to step 4.

(b) If software is not COTS IUS, continue to page 11: Software Development, step 1.

(4) LCM personnel receive DHA Form 217 request.

(5) LCM personnel review DHA Form 217 request, and determine if the request is a potential Enterprise License Agreement (ELA).

(a) If the request is a potential ELA, continue to step 8.

(b) If the request is not a potential ELA, continue to step 6.

(6) ISRMB acquisition section determines if the request is a Government Purchase Card (GPC) eligible request.

(a) If request is GPC eligible, continue to step 7.

(b) If request is not GPC eligible, continue to step 9.

(7) ISRMB acquisition section creates purchase request package to include DHA Form 217 and GPC. Continue to step 18.

(8) LCM personnel determine if a current contract exists.

(a) If a current contract exists, continue to page 14: Asset Management, step 1.

(b) If there is no existing contract, continue to step 9.

(9) ISRMB acquisition section creates purchase request package to include DHA Form 217 and DHA Form 216.

(10) ISRMB finance section reviews available funds and contracting options, and verifies 'bona fide' need. Control IUS.C.02: Appendix 2.

(11) EMS-CD KO determines if this is a new or existing contract.

(a) If this is a new contract, continue to step 12.

(b) If this is an existing contract, continue to step 13.

(12) EMS-CD KO creates legal contract with vendor with specified contract requirements.

(a) Confirm that the requiring activity has established separately identifiable line items for all capitalized and expensed requirements in the purchase request.

(b) Verify the line item structure aligns with the lines of accounting related to the capitalized and expensed classifications assigned by the requiring activity.

(c) Include appropriate invoicing instructions and acceptance criteria in the solicitation and contract or order.

(13) EMS-CD KO modifies existing legal contract with vendor in accordance with specified contract requirements.

(14) EMS-CD KO retains contract and send a copy to LCM. Continue to step 15.

(15) LCM personnel receive, review, and retain documentation. Control IUS.C.03:  
Appendix 2.

(16) LCM personnel determine if this is a capital requisition.

(a) If capital requisition, continue to step 17.

(b) If not a capital requisition, continue to page 13: Receipt and Acceptance, step 1.

(17) LCM personnel create an ‘inbound item’ to establish accountability. The inbound item must include data elements in accordance with Reference (i). Control IUS.C.04:  
Appendix 2.

(18) ISRMB acquisitions Section places an order with vendor. Continue to page 13:  
Receipt and Acceptance, step 1.

b. Software in Development

(1) Solutions Delivery Division (SDD) gathers requirements for requested software in accordance with Reference (q).

(2) ISRMB finance section reviews available funds and contracting options, and verifies bona fide need. Control IUS.C.02: Appendix 2.

(3) ISRMB finance section determines if there is available funding to develop software.

(a) If there is available funding, continue to step 4.

(b) If there is no available funding, the process ends.

(4) ISRMB finance section transfers budgeted funds to contracting office.

(5) EMS-CD KO develops contract to create software in accordance with requirements.

(a) Confirm that the requiring activity has established separately identifiable line items for all capitalized and expensed requirements in the purchase request.

(b) Verify the line item structure aligns with the lines of accounting related to the capitalized and expensed classifications assigned by the requiring activity.

(c) Include appropriate invoicing instructions and acceptance criteria in the solicitation and contract or order.

(6) EMS-CD KO retains contract and sends copies to SDD.

(7) SDD personnel retain contract and supporting documentation. Control IUS.C.03: Appendix 2.

(8) SDD personnel receive and retain invoices from developer and accumulates cost in the APSR. Control IUS.C.03: Appendix 2.

(9) SDD personnel will transfer IUS in Development to IUS, upon project completion. Items will be placed in service in accordance with Volume 4, Chapter 27, Section 270207 Amortization, page 27-26, paragraph c of Reference (i).

(10) SDD personnel determine if this is a capital requisition.

(a) If this is a capital requisition, continue to step 11.

(b) If this is not a capital requisition, continue to page 13: Receipt and Acceptance, step 1.

(11) SDD personnel create an inbound item to establish accountability. Control IUS.C.04: Appendix 2.

c. Receipt and Acceptance

(1) LCM personnel receive software/license from vendor.

(2) LCM personnel verify order to receipt documents and determine if the correct order quantity was received. Control IUS.C.05: Appendix 2.

(3) LCM personnel determine if order reconciles to the requisition documents.

(a) If the order does not reconcile to the requisition data, continue to step 4.

(b) If the order reconciles to the requisition data, continue to step 5.

(4) LCM personnel reconcile order with vendor, return to step 1.

(5) LCM personnel record software into Management System.

(6) LCM personnel determine if this is capital IUS.

(a) If capital IUS, continue to step 7.

(b) If not capital IUS, process ends.

(7) APO closes out inbound item.

(8) APO records software/license in the APSR using the data elements in accordance with Reference (1) and places it in service triggering amortization. APO retains identifying Key Supporting Documents. Control IUS.C.06: Appendix 2.

(9) APO creates amortization schedule based on the date placed into service. Control IUS.C.07: Appendix 2.

(10) APO assigns custody of software to SC.

(11) SC receives custody of software from APO. Both parties sign and retain copy of the hand receipt. Control IUS.C.08: Appendix 2.

d. Asset Management

- (1) GSC personnel review request from end user.
- (2) SC receive software request via Knowledge Base Routing System.
- (3) SC determine if software being requested is available in Site Software Allocation (SSA).
  - (a) If software being requested is available, continue to step 4.
  - (b) If software being requested is not available, return to page 9: Requisition, step 1.
- (4) SC determines if the software is in excess of allocation.
  - (a) If the software is in excess of allocation, continue to step 5.
  - (b) If the software is not in excess of allocation, continue to step 8.
- (5) SC request changes to SSA via Information Management System ticket.
- (6) SC determines if additional licenses are available.
  - (a) If additional licenses are available in SSA, continue to step 7.
  - (b) If no additional licenses are available in SSA, return to page 9: Requisition, step 1.
- (7) SC updates SSA allocation.
- (8) SC approve installation and updates SSA.
- (9) GSC personnel route ticket to installer.
- (10) GSC personnel complete installation activity and close ticket.

e. Maintenance

- (1) SC identifies SC software maintenance need.
- (2) SC determines what type of maintenance is requested.
  - (a) If Software updates, continue to step 3.
  - (b) Capital Improvement/License Renewal, return to page 9, Requisition, step 1.
- (3) SC submits software update request to Information Technology Help desk.

f. Disposition/Transfer

- (1) SC identifies the IUS license as obsolete, unusable, or replaced.
- (2) SC must consult all relevant parties before any IUS license transfer or disposition activity. Those parties would include legal counsel and the APO in accordance with Reference (i).
  - (a) If the license cannot be transferred, continue to step 3.
  - (b) If the license can be transferred, continue to step 4.
- (3) SC mark software for disposal in the APSR.
- (4) SC update APSR form for license transfer.
- (5) SC transfers custody to APO for disposition or transfer. Control IUS.C.09: Appendix 2.
- (6) APO processes the appropriate transaction to remove the assets from the APSR and retains a copy of the completed DD 1348-1A for their records. Control IUS.C.09: Appendix 2.
- (7) LCM personnel remove license from Managerial System.
- (8) DM personnel perform disposition services on software.

g. Periodic Inventory

- (1) APO designs the physical inventory schedule and plan in APSR in accordance with Reference (l).
- (2) APO initiates inventory when notification occurs in APSR.

(3) APO prints the IUS Inventory Sheet from the APSR, (e.g., hand receipt and/or Customer Receipt/Location List from the Inventory Module) and provides it to the SC. The inventory sheet must have the following data elements listed for each software:

- (a) Name, description (nomenclature), serial number
- (b) Unique Item Identifier (UII)
- (c) Location
- (d) Status

(4) APO assigns inventory sheets to the SC. Continue to step 5 and 8. (Note: Steps 5-7 can occur at the same time as steps 8-10).

(5) SC locates the software from the IUS Inventory sheet. Control IUS.C.10: Appendix 2.

(6) SC reconcile the data elements on the inventory sheet to the software on the computer. This verifies property existence, correct location, accurate quantity, correct UII label, a match between UII and serial or model number, and accountable property record existence and completeness.

(7) SC signs the count sheets evidencing results and submits documentation to the APO.

(8) SC records UII and serial number from the assets found on user's computer. (Note: Steps 5-7 can occur at the same time as steps 8-10). Control IUS.C.11: Appendix 2.

(9) SC reconciles recorded UII and serial number to the APSR.

(10) SC signs recorded data, evidencing that the results were submitted to the APO.

(11) SC determines if a discrepancy exists.

(a) If a discrepancy does exist, continue to step 16.

(b) If a discrepancy does not exist, continue to step 12.

(12) APO reviews inventory results and annotates the count sheets.

(13) APO updates the last inventory date in APSR.

(14) APO retains printed inventory results from APSR. Retain documentation for the required retention period, in accordance with Reference (d). Control IUS.C.12: Appendix 2.

(15) APO reviews software's Chief Financial Officer folders ensuring all Key Supporting Documents are retained for the required retention period in accordance with Reference (g).

(16) SC determine what remediation path is necessary.

(a) If there is a found software, continue to step 17.

(b) If there are changes/updates required, continue to step 18.

(17) SC records software license use.

(18) SC changes/updates records to reflect any disparities.

(19) SC determine if there is a need to true-up or descope license.

(a) If there is a need to true-up or descope license, continue to step 20.

(b) If there is no need to true-up or descope license, continue to step 21.

(20) SC will open new ServiceNow ticket for acquisitions process to descope or true-up. Continue to step 12.

(21) SC will resolve ticket. Continue to step 12.

#### h. Reconciliation

(1) PAT personnel initiate monthly reconciliation in accordance with timeline specified, in compliance with Reference (h) and Defense Finance Accounting Service financial reporting guidance, concurrently notifying APO to begin as well.

(2) PAT personnel print the beginning Trial Balance from the GL system as of 12 a.m. the day after.

(3) APO processes a monthly reconciliation in APSR as of 12 a.m. on the same day simulating a closing out of APSR for the reporting period. If the APSR contains an automated closeout function, the APO processes a reconciliation on the scheduled date of the APSR closeout.

(4) APO prints the Asset Reconciliation Report with the following financial related information. This includes a summary of all additions, deletions, and changes (+/-/Δ) in the software and depreciation line items.

(5) APO reconciles all gains and losses to the Asset Reconciliation Report while gathering supporting documentation.



- (6) APO signs, certifying APSR data. Control IUS.C.13: Appendix 2.
- (7) APO submits the reconciled report to the PAT no later than the deadline specified.
- (8) PAT personnel verify if they received the Asset Reconciliation Report from the APOs.
  - (a) If the PAT personnel do not receive the report, continue to step 9.
  - (b) If the PAT personnel do receive the report, continue to step 11.
- (9) PAT personnel notify CPL that APO did not provide the certified Asset Reconciliation Report within forty eight hours. Return to step 7.
- (10) CPL directs APO to provide the APSR activity report within forty eight hours. Return to step 4. Control IUS.C.14: Appendix 2.
- (11) PAT personnel reconcile the Asset Reconciliation Report to the GL Trial Balance. Actions include:
  - (a) Reconciliation of gains to expenditures within United States Standard GL 175000.
  - (b) Recalculation of monthly depreciation United States Standard GL 175900.
  - (c) Validate deletions with supporting documentation to include preparing a JV for losses. Control IUS.C.15: Appendix 2.
- (12) PAT personnel verify if APSR IUS balances reconcile to what is reported on the GL.
  - (a) If the amounts reported on the Asset Reconciliation Report and the GL Trial Balance reconcile, continue to step 26.
  - (b) If the amounts reported on the Asset Reconciliation Report and the GL Trial Balance do not reconcile, continue to step 13.
- (13) PAT personnel research the source of any non-reconciling item(s).
- (14) PAT personnel determine whether the non-reconciling item(s) is an APSR or Interface/Entry error.
  - (a) If the error is an APSR error, continue to step 15.
  - (b) If the error is an Interface/Entry error, continue to step 20.

- (15) PAT personnel notify CPL of non-reconciling item(s).
- (16) CPL delegates APSR error adjustments to the responsible APO.
- (17) APO makes appropriate APSR adjustments.
- (18) APO prints, signs, and sends the updated Asset Reconciliation Report to the PAT.
- (19) CPL provides updated Asset Reconciliation Report to PAT. Continue to step 21.
- (20) PAT personnel investigate the variance of the non-reconciling item(s).

(a) If the variance is an interface issue, review the Interface Exception sheet and adjust the appropriate variance, continue to step 21.

(b) If the variance is a manual entry issue, adjust with a fully supported JV, continue to step 22.

(21) PAT personnel compare the updated Asset Reconciliation Report to the Trial Balance.

(22) PAT personnel determine if a JV is required.

(a) If a JV is required, continue to step 23.

(b) If a JV is not required, continue to step 25.

(23) PAT personnel create a fully supported JV, perform amortization recalculation, and submit to the appropriate authority for review and approval. Control IUS.C.16 and IUS.C.17: Appendix 2. Fully supported JVs include:

(a) Additions:

1. Contracts/Statements of Work
2. Reimbursable Agreements
3. Military Interdepartmental Purchase Request
4. Purchase Orders
5. Receiving Reports and Invoices
6. Appraisal Reports for Donated Assets
7. Book Value

8. Documentation evidencing date received and date placed in service

(b) Deletions:

1. Accumulated Amortization
2. Signed Custodian Action List with UII and Location
3. Signed DD 1348
4. Book Value

(c) Depreciation: Recalculation

(24) PAT personnel adjust the item(s) in the GL system.

(25) PAT personnel print Adjusted Trial Balance.

(26) PAT personnel sign the completed reconciliation report evidencing review and Certification, in accordance with Reference (g). Control IUS.C.18: Appendix 2. A completed report includes:

- (a) Adjusted Trial Balance (signed)
- (b) Final Asset Reconciliation Report (signed)
- (c) Amortization Calculation (signed)

APPENDIX 1

PROCESS MAPS

IUS process mapping refers to activities involved in defining the lifecycle of an IUS asset. It delineates roles and responsibilities in the various steps within the lifecycle process. These maps mirror the Procedures section of this DHA-AI found above and provide a pictorial workflow.

IUS Process Maps available at:

[https://info.health.mil/bus/fi/ppe/DHP\\_Policy\\_and\\_Procedures/Internal%20Use%20Software%20\(IUS\)](https://info.health.mil/bus/fi/ppe/DHP_Policy_and_Procedures/Internal%20Use%20Software%20(IUS))

If you encounter any issues with the link above, please contact the DHP Property Plant and Equipment (PP&E) team at: [dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil](mailto:dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil)

APPENDIX 2

RISK AND CONTROL MATRIX

IUS Risk and Control Matrix is an internal control assessment that allows reporting entities to determine the stability of their control environments. They also enable reporting entities to evaluate year-to-year changes in their control environments, identify new risks, and develop and implement corrective action plans.

IUS Risk and Control Matrix is available at:

[https://info.health.mil/bus/fi/ppe/DHP\\_Policy\\_and\\_Procedures/Internal%20Use%20Software%20\(IUS\)](https://info.health.mil/bus/fi/ppe/DHP_Policy_and_Procedures/Internal%20Use%20Software%20(IUS))

If you encounter any issues with the link above, please contact the DHP Property Plant and Equipment (PP&E) team at: [dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil](mailto:dha.ncr.j-1-8.mbx.arc-helpdesk@mail.mil)

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

APO	Accountable Property Officer
APSR	Accountable Property System of Record
COTS	Commercial off-the-shelf
CPL	Component Property Lead
DHA-AI	Defense Health Agency-Administrative Instruction
DM	Desktop Management
ELA	Enterprise License Agreement
EMS-CD	Enterprise Medical Services - Contracting Division
ESMS	Enterprise Software Management Services
GL	General Ledger
GPC	Government Purchase Card
GSC	Global Service Center
ISRMB	Infrastructure and Services Resource Management Branch
IUS	Internal Use Software
JV	Journal Voucher
KO	Contracting Officer
LCM	Lifecycle Management
PAT	Property Accounting Team
PRMD	Portfolio and Resource Management Division
RM	Resource Manager
SC	Software Custodian
SDD	Solution Delivery Division
SSA	Site Software Allocation
UII	Unique Item Identifier

## PART II. DEFINITIONS

APO. An individual who, based on his/her training, knowledge, experience in property management, accountability, and control procedures, is appointed by proper authority to establish and maintain an organization's accountable property records, systems, and/or financial records, in connection with government property, irrespective of whether the property is in the individual's possession. Comparable terms include: Army-Supply Support Accountable Officer/Property Book Officer; Navy-Personal Property Manager; Air Force–Accountable Officer /Chief of Supply/Chief of Materiel Management; Marine Corps-Accountable Officer; Joint Commands–Joint Property Book Officer; and Defense Logistics Agency–APO.

APSR. The government system used to control and manage accountable property records; a subset of existing organizational processes related to the LCM of property; the system that is integrated with the core financial system.

Capitalization. An accounting method in which a cost is included in the value of an asset and expensed over the useful life of that asset, rather than being expensed in the period the cost was originally incurred. Threshold is determined by the entity.

CPL. An individual responsible for the maintenance and implementation of policies for all IUS within DHA.

Expenditures. Disbursement of funds in return for goods or services.

Excess. The amount of inventory above the sum of the Approved Acquisition Objective and inventory retained for economic and/or contingency purpose.

Federal Accounting Standards Advisory Board. The board that promulgates the accounting standards for the use in the Federal Government.

Impairment. The diminishing in quality, strength, amount, or value of an asset.

Inbound Item. An item or material placed on order establishing accountability to the property book.

Internal Controls. A process for assuring achievement of Defense Health Program objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with United States laws, regulations, and policies.

Invoice. A contractor's bill or written request for payment under the contract for supplies delivered or services performed. Invoices commonly include a list of an asset(s) or services provided.

Inventory. Tangible personal property that is held for sale, in the process of production for sale, or to be consumed in the production of goods for sale or in the provision of services for a fee.

Inventory Adjustments. Changes made to the accountable property record when the record and a physical count do not agree. All such changes require specific approval and documentation to support the adjustment, normally to include the results of reconciliation efforts to determine and resolve the cause of such disagreement, or a completed validation and investigation for lost, damaged, destroyed, or stolen property.

JV. A written statement for every financial transaction a company makes or for every transaction that meets certain criteria.

Key Supporting Document. The critical document that proves a management assertion.

Physical Count. The process of physically counting the item(s) to verify the accountable property record's posted balance.

Physical Inventory. The verification of property existence, accountable property record completion, location, and quantity. The process may also involve verifying additional information, performing reconciliation, and modifying the accountable property records.

Procurement. The action or occupation of acquiring military software and supplies.

Reconciliation. An accounting process that uses two sets of records to prove figures are correct and in agreement.

Receipt. A transmission or other acknowledgment made by a receiving entity to indicate that a message, good, or service has been satisfactorily received. A receipt is often denoted by signing a situation specific form, such as DD Form 250.

Trial Balance. A statement of all debits and credits in a double-entry account book, with any disagreement indicating an error.

Useful Life. The estimated remaining period during which the property is expected to be economically usable by one or more users, with normal repairs and maintenance for the purpose for which it was intended at the inception.